

BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$24.14 /CWT
\$1.54 /LB

EFFECTIVE NOVEMBER 1, 2007:

The minimum price to pay milk producers, under ARM 32.24.301, is \$24.14
per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of
15.4 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment.
The value of one pound of butterfat utilized will be \$1.54

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$19.62 /CWT

Average spray process dry milk solids
price per pound = \$1.98750
Multiplied by 8.2 x 8.2

\$16.29750

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$1.22550
Multiplied by 4.2 x 4.2

\$5.14710

LESS a make allowance of 8.5% (\$21.4446 X .085)

Rounded to the nearest whole cent = \$19.62 /hundredweight.

STATE PUBLICATIONS COLLECTION

\$16.29750

OCT 05 2007

MONTANA STATE LIBRARY
1515 E. 6th AVE.
HELENA, MONTANA 59620 +

\$5.14710

\$21.44460

\$1.82279

\$19.62181

**CLASS II BUTTERFAT PRICE PER POUND****\$1.36 /LB**

Last quote of the month for Grade AA butter					
minus a differential of \$.0895	=	\$1.22550	X .111)	=	\$0.13603
Rounded to the nearest half cent				=	\$0.136

Butterfat value per pound		
for milk at 3.5% test:	\$1.36	

Hundredweight price of milk testing 3.5%		=	\$19.62
LESS 3.5 pounds of butterfat at	\$1.36 per pound	-	\$4.760
Value of 96.5 pounds of skim		=	\$14.860

**CLASS II VALUE OF
ONE POUND OF SKIM**

14.860 / 96.5 pounds)	=	\$0.15399 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$16.90 /CWT**

3.5 pounds of butterfat	x	\$1.10 per pound =	\$3.850
96.5 pounds of skim	x	\$0.13527 per pound =	\$13.053
			<u>\$16.903 /CWT</u>

CLASS III BUTTERFAT PRICE PER POUND**\$1.10 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.22550
LESS 10%	-	\$0.12255
		<u>\$1.10295</u>

Rounded to the nearest whole cent	=	\$1.10 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$13.52693 /CWT**

Avg. spray process dry milk solid price/lb =	\$1.98750
Multiplied by 8.2	x 8.2
	<u>\$16.29750</u>
LESS 17%	-
	<u>\$2.77058</u>
	<u>\$13.52693</u>

Rounded to the nearest whole cent	=	\$13.53 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$24.14 FOR 3.5% MILK 96.5 LBS = \$18.750			CLASS II SKIM PRICE BASED ON \$19.62 FOR 3.5% MILK 96.5 LBS = \$14.860			CLASS III SKIM PRICE BASED ON \$16.90 FOR 3.5% MILK 96.5 LBS = \$13.053		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jan-98 \$	14.16	\$ 10.10	Jul-01 \$	15.48	\$ 13.36	Jan-05 \$	15.51	\$ 13.80
Feb-98 \$	14.38	\$ 10.11	Aug-01 \$	16.52	\$ 13.92	Feb-05 \$	15.67	\$ 10.61
Mar-98 \$	14.50	\$ 9.65	Sep-01 \$	15.74	\$ 14.58	Mar-05 \$	14.32	\$ 11.99
Apr-98 \$	14.50	\$ 9.65	Oct-01 \$	16.74	\$ 13.29	Apr-05 \$	15.03	\$ 12.43
May-98 \$	13.72	\$ 8.71	Nov-01 \$	15.40	\$ 12.22	May-05 \$	14.74	\$ 12.74
Jun-98 \$	13.37	\$ 10.65	Dec-01 \$	14.90	\$ 10.38	Jun-05 \$	14.57	\$ 11.81
Jul-98 \$	12.91	\$ 12.54	Jan-02 \$	12.99	\$ 10.60	Jul-05 \$	14.09	\$ 12.30
Aug-98 \$	14.53	\$ 13.06	Feb-02 \$	12.90	\$ 10.78	Aug-05 \$	15.16	\$ 13.33
Sep-98 \$	16.03	\$ 13.37	Mar-02 \$	12.77	\$ 10.50	Sep-05 \$	15.47	\$ 12.66
Oct-98 \$	16.12	\$ 14.72	Apr-02 \$	12.72	\$ 10.20	Oct-05 \$	14.76	\$ 13.77
Nov-98 \$	16.34	\$ 15.91	May-02 \$	12.55	\$ 10.84	Nov-05 \$	14.97	\$ 13.21
Dec-98 \$	17.17	\$ 15.55	Jun-02 \$	11.51	\$ 8.79	Dec-05 \$	14.96	\$ 12.29
Jan-99 \$	16.94	\$ 10.92	Jul-02 \$	12.30	\$ 9.46	Jan-06 \$	14.15	\$ 12.46
Feb-99 \$	17.54	\$ 9.92	Aug-02 \$	11.82	\$ 10.15	Feb-06 \$	14.08	\$ 12.58
Mar-99 \$	16.75	\$ 9.63	Sep-02 \$	11.86	\$ 10.36	Mar-06 \$	14.05	\$ 12.55
Apr-99 \$	11.95	\$ 10.31	Oct-02 \$	11.68	\$ 10.11	Apr-06 \$	12.71	\$ 11.21
May-99	Missing May		Nov-02 \$	11.60	\$ 10.66	May-06 \$	12.44	\$ 10.94
Jun-99 \$	12.86	\$ 9.51	Dec-02 \$	12.04	\$ 10.61	Jun-06 \$	11.98	\$ 10.48
Jul-99 \$	12.85	\$ 11.66	Jan-03 \$	12.85	\$ 10.61	Jul-06 \$	11.44	\$ 9.94
Aug-99 \$	13.25	\$ 13.11	Feb-03 \$	11.08	\$ 9.52	Aug-06 \$	12.24	\$ 10.74
Sep-99 \$	14.79	\$ 12.26	Mar-03 \$	11.31	\$ 9.65	Sep-06 \$	12.44	\$ 10.94
Oct-99 \$	16.32	\$ 10.20	Apr-03 \$	11.10	\$ 10.06	Oct-06 \$	12.57	\$ 11.07
Nov-99 \$	17.00	\$ 8.10	May-03 \$	11.17	\$ 9.80	Nov-06 \$	13.73	\$ 12.23
Dec-99 \$	12.68	\$ 8.18	Jun-03 \$	10.99	\$ 9.49	Dec-06 \$	13.42	\$ 11.92
Jan-00 \$	11.39	\$ 8.14	Jul-03 \$	11.23	\$ 10.00	Jan-07 \$	13.91	\$ 12.41
Feb-00 \$	12.33	\$ 7.98	Aug-03 \$	11.65	\$ 12.40	Feb-07 \$	14.48	\$ 12.98
Mar-00 \$	12.15	\$ 8.05	Sep-03 \$	12.58	\$ 12.67	Mar-07 \$	14.65	\$ 13.15
Apr-00 \$	12.18	\$ 8.03	Oct-03 \$	14.50	\$ 14.08	Apr-07 \$	15.17	\$ 13.67
May-00 \$	12.35	\$ 7.79	Nov-03 \$	14.09	\$ 12.38	May-07 \$	16.11	\$ 14.61
Jun-00 \$	12.47	\$ 7.83	Dec-03 \$	14.60	\$ 11.22	Jun-07 \$	17.64	\$ 16.14
Jul-00 \$	13.11	\$ 9.21	Jan-04 \$	14.15	\$ 10.59	Jul-07 \$	19.84	\$ 18.34
Aug-00 \$	13.51	\$ 8.04	Feb-04 \$	12.75	\$ 11.64	Aug-07 \$	251.84	\$ 20.34
Sep-00 \$	13.38	\$ 9.53	Mar-04 \$	13.15	\$ 12.48	Sep-07		
Oct-00 \$	13.49	\$ 8.14	Apr-04 \$	14.23	\$ 13.94	Oct-07		
Nov-00 \$	13.40	\$ 10.31	May-04 \$	14.45	\$ 13.95	Nov-07		
Dec-00 \$	12.82	\$ 9.29	Jun-04 \$	18.35	\$ 12.97	Dec-07		
Jan-01 \$	14.01	\$ 10.23	Jul-04 \$	19.04	\$ 10.58	Jan-08		
Feb-01 \$	13.47	\$ 9.91	Aug-04 \$	17.27	\$ 11.19	Feb-08		
Mar-01 \$	12.84	\$ 10.47	Sep-04 \$	14.63	\$ 11.29	Mar-08		
Apr-01 \$	14.10	\$ 11.76	Oct-04 \$	14.24	\$ 11.17	Apr-08		
May-01 \$	14.68	\$ 12.62	Nov-04 \$	15.26	\$ 11.49	May-08		
Jun-01 \$	15.78	\$ 13.09	Dec-04 \$	13.86	\$ 10.66	Jun-08		

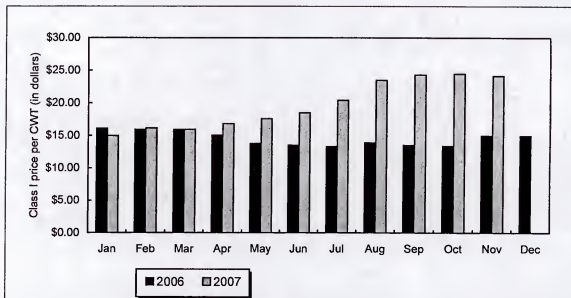
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2006 and 2007

Statistics from the Montana Milk Control Bureau

Month	2006	2007	Difference	% Change
January	\$16.12	\$14.98	(\$1.14)	-7.07%
February	\$15.93	\$16.14	\$0.21	1.32%
March	\$15.93	\$15.94	\$0.01	0.06%
April	\$15.04	\$16.80	\$1.76	11.70%
May	\$13.77	\$17.55	\$3.78	27.45%
June	\$13.52	\$18.47	\$4.95	36.61%
July	\$13.30	\$20.39	\$7.09	53.31%
August	\$13.89	\$23.46	\$9.57	68.90%
September	\$13.52	\$24.31	\$10.79	79.81%
October	\$13.40	\$24.46	\$11.06	82.54%
November	\$14.97	\$24.14	\$9.17	61.26%
December	<u>\$14.95</u>			
Average	\$14.53	\$19.69	\$5.20	37.81%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

AUGUST 2007: class I = \$14.30; class II = \$1.95; Class III = \$5.64; total = \$21.89

(calculations based upon utilization percentages of butterfat & skim)